

**IN THE UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF PENNSYLVANIA**

---

ANTHONY J. GROSEK, III, Trustee,	:	
	:	
Plaintiff,	:	
	:	
v.	:	Case No. _____
	:	
CONNECTICUT GENERAL LIFE	:	
INSURANCE COMPANY and	:	
THE LINCOLN NATIONAL LIFE	:	
INSURANCE COMPANY,	:	
	:	
Defendants.	:	
	:	

---

**NOTICE OF REMOVAL**

Pursuant to 28 U.S.C. §§ 1332, 1441 & 1446, Defendants The Lincoln National Life Insurance Company (“Lincoln”) and Connecticut General Life Insurance Company (“Connecticut General”) (collectively, “Defendants”), subject to all of its defenses, which are expressly reserved herein, by and through counsel, hereby remove the above-captioned action from the Court of Common Pleas of Luzerne County to the United States District Court for the Middle District of Pennsylvania. As grounds for this removal, Defendants state as follows:

1. On January 4, 2013, Plaintiff Anthony J. Grosek, III (“Plaintiff”) filed a Complaint against the Defendants in the Court of Common Pleas of Luzerne County (Case No. 2013-00080) asserting causes of action against Defendants for breach of contract and bad faith (the “State Court Action”).

2. This Notice of Removal is filed within the time permitted by 28 U.S.C. § 1146, as Defendants were served with a copy of the Complaint in the State Court Action on January 11, 2013. True and correct copies of “all process, pleadings, and orders served” in the State Court Action are attached to this Notice of Removal as Exhibit A. Defendants have not taken any action and no orders have been entered in the State Court Action.

3. Defendants are authorized to remove this action under 28 U.S.C. §§ 1441 and 1446. This Court has original subject-matter jurisdiction over the State Court Action pursuant to 28 U.S.C. § 1332, as there is complete diversity of citizenship between the parties and the amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs. Neither of the Defendants is a citizen of the forum state. *See* 28 U.S.C. § 1441(b). Moreover, removal is proper because this Court is the district court “for the district and division embracing the place where [the State Court Action] is pending.” *See* 28 U.S.C. § 1441(a).

4. Complete diversity exists between the Plaintiff and Defendants. Plaintiff is a citizen of the Commonwealth of Pennsylvania. Lincoln is a life insurance company organized and existing under the laws of the State of Indiana, with its principal place of business located at 1300 South Clinton Street, Ft. Wayne, Indiana 46802. Connecticut General is a life insurance company organized and existing under the laws of the State of Connecticut, with its principal

place of business located at 900 Cottage Grove Road, Bloomfield, Connecticut 06152. Accordingly, complete diversity of citizenship now exists and existed at the time the State Court Action was commenced.

5. The amount in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, as required by 28 U.S.C. § 1332(a). The Complaint asserts claims against Defendants for breach of contract and bad faith. The Complaint alleges that Defendants' purported breach of contract caused Plaintiff damages in the amount of \$62,375. In addition, Plaintiff's bad faith claim seeks punitive damages and attorney's fees, which are included for determining the amount in controversy. *See Javorksi v. Nationwide Mut. Ins. Co.*, 2006 WL 2225851, at \*5 (M.D. Pa. Aug. 2, 2006) ("If punitive damages are sought, a court may include them in the amount in controversy[.]"); *Morris v. Bankers Life & Cas. Co.*, 2012 WL 602418, at \*1-2 (E.D. Pa. Feb. 24, 2012) (in a case involving bad faith, "the claim for attorney's fees and punitive damages could easily put the amount in controversy over the jurisdictional limit"). Accordingly, the amount in controversy, exclusive of interests and costs, exceeds \$75,000.

6. In accordance with 28 U.S.C. § 1446(d), all adverse parties are being provided with this Notice of Removal, and a copy of this Notice of Removal will be filed with the Prothonotary of Luzerne County.

WHEREFORE, based on the foregoing, this Court has original jurisdiction over this action pursuant to 28 U.S.C. § 1332, and removal of this civil action to this Court from the Court of Common Pleas of Luzerne County is proper under 28 U.S.C. §§ 1441 and 1446.

Respectfully submitted,

DRINKER BIDDLE & REATH LLP

Dated: February 8, 2013

By: /s Stephen C. Baker

Stephen C. Baker (PA 32326)

Charles J. Vinicombe\*

Robert J. Mancuso (PA 309786)\*

DRINKER BIDDLE & REATH LLP

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Philadelphia, PA 19103-6996

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\*Admission To Be Requested

*Attorneys for Defendants The Lincoln  
National Life Insurance Company and  
Connecticut General Life Insurance  
Company*

**CERTIFICATE OF SERVICE**

I hereby certify that on the 8th day of February, 2013, a true and correct copy of the foregoing Notice of Removal was sent via email and U.S. Mail to:

Charles A. Shaffer, Esq.  
Pugliese, Finnegan, Shaffer & Ferentino LLC  
575 Pierce Street – Suite 500  
Kingston, PA 18704  
shaffer@pfslawyer.com  
*Counsel for Plaintiff*

/s Robert J. Mancuso  
Robert J. Mancuso

# Exhibit “A”

Pugliese, Finnegan, Shaffer & Ferentino LLC  
Charles A. Shaffer, Esquire / Id No. 01825  
575 Pierce Street - Suite 500  
Kingston, PA 18704  
570-283-1800 (Phone)  
570-283-1840 (Fax)  
[shaffer@pfslawyer.com](mailto:shaffer@pfslawyer.com)

FILED  
PROBATE  
LUZERNE COUNTY

**LINCOLN**

2013 JAN -4 AM 9:11

Referred to \_\_\_\_\_

REC'D

JAN 11 2013

Attorneys for Plaintiff

Answered

<u>LAW DIVISION</u>	
ANTHONY J. GROSEK, III, Trustee,	: IN THE COURT OF COMMON PLEAS
Plaintiff	: OF LUZERNE COUNTY
vs.	:
CONNECTICUT GENERAL LIFE	: CIVIL ACTION - LAW
INSURANCE COMPANY and	:
LINCOLN NATIONAL LIFE	: JURY TRIAL DEMANDED
INSURANCE COMPANY,	:
Defendants	

NO. 2013-00080

**NOTICE**

**COPY**  
**YOU HAVE BEEN SUED IN COURT.** If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and Notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against by the Court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

**YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE.**  
**IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO**  
**OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT**  
**WHERE YOU CAN GET LEGAL HELP.**

**NORTH PENN LEGAL SERVICES, INC.**

**410 Bicentennial Building**

**15 Public Square**

**Wilkes-Barre, PA 18701**

**570-825-8567**

Pugliese, Finnegan, Shaffer & Ferentino LLC  
 Charles A. Shaffer, Esquire / Id No. 01825  
 575 Pierce Street - Suite 500  
 Kingston, PA 18704  
 570-283-1800 (Phone)  
 570-283-1840 (Fax)  
[shaffer@pfslawyer.com](mailto:shaffer@pfslawyer.com)

FILED  
 PROTHONOTARY  
 LUZERNE COUNTY

2013 JAN -4 AM 9:11

Attorneys for Plaintiff

ANTHONY J. GROSEK, III, Trustee, Plaintiff	:	IN THE COURT OF COMMON PLEAS OF LUZERNE COUNTY
vs.	:	CIVIL ACTION - LAW JURY TRIAL DEMANDED
CONNECTICUT GENERAL LIFE INSURANCE COMPANY and LINCOLN NATIONAL LIFE INSURANCE COMPANY, Defendants	:	Referred to <u>LINCOLN</u> NO. REC'D <u>JAN 11 2013</u>
<u>COMPLAINT</u>		Answered <u>LAW DIVISION</u>

The Plaintiff, Anthony J. Grosek, III, Trustee, by and through his counsel, Pugliese, Finnegan, Shaffer & Ferentino LLC, brings this action against Connecticut General Life Insurance Company and Lincoln National Life Insurance Company and for his complaint, states and avers the following:

1. The Plaintiff is Anthony J. Grosek, III, Trustee under an Irrevocable Agreement of Trust made March 31, 1980 by Anthony J. Grosek, Jr., Settlor, of Dallas, PA.
2. The Defendant, Connecticut General Life Insurance Company, is a Connecticut insurance corporation doing business in the Commonwealth of Pennsylvania with an office at 900 Cottage Grove Road, Bloomfield, CT 06002 and Two Liberty Place, TL18A, 1601 Chestnut Street, Philadelphia, PA 19192-2362.
3. The Defendant, Lincoln National Life Insurance Company, is an Indiana corporation with offices at 1300 South Clinton Street, Fort Wayne, IN 46802.

4. The Defendant, Connecticut General Life Insurance Company, on November 7, 1988, issued a life insurance policy in the face amount of \$1,600,000.00 insuring the life of Anthony J. Grosek, Jr. ("Policy"). A copy of that policy is attached hereto as Exhibit "A" and incorporated herein by reference thereto.

5. The owner and beneficiary of the Policy was the Trustee under the Irrevocable Agreement of Trust made March 31, 1980 by Anthony J. Grosek, Jr., Settlor.

6. The Defendant, Lincoln National Life Insurance Company, at all times material hereto, was the administrative agent for the Defendant, Connecticut General Life Insurance Company, and at all times material hereto was acting as such agent, duly authorized and within the scope of its authority.

7. The Defendant, Lincoln National Life Insurance Company, on November 8, 2011, sent the Trustee a 2011 Annual Statement with regard to the Policy for the period of November 7, 2010 to November 6, 2011. A copy of that Annual Statement is attached hereto as Exhibit "B" and incorporated herein by reference thereto.

8. The premium on the Policy due November 7, 2011 was not paid when due and the Defendant, Connecticut General Life Insurance Company began taking money from the cash value of the Policy each month to pay the premium and keep the Policy in force.

9. The Policy, on Page 9, provided "at least thirty-one (31) days before the end of the grace period the company will send a notice that there is insufficient cash value under the policy. The notice will show the amount of the premium required to cover the monthly deduction to prevent the policy from lapsing.... If such premium as billed by the company is not paid within the grace period, all coverage under the policy will terminate without value at the end of the grace period. If

the insured dies during the grace period, the company will deduct any overdue monthly deductions from the benefits."

10. The owner of the Policy received a letter from the Defendant, Lincoln National Life Insurance Company, dated March 6, 2012 which stated it was writing to tell the owner of the Policy that there is insufficient cash value under the Policy to cover the required monthly deduction. It stated "the minimum payment necessary to maintain this Policy in force until 11/07/2012 is \$90,417.79. Unless this amount is received within the grace period, your Policy will terminate according to its terms on 04/08/2012". A copy of Lincoln National Life Insurance Company's letter dated March 6, 2012 is attached hereto as Exhibit "C" and incorporated herein by reference thereto.

11. The letter from Lincoln National Life Insurance Company dated March 6, 2012 was the only notice sent by the Defendants that there was insufficient cash value under the Policy.

12. The premium of \$90,417.79 was paid in April 2012 before the Policy terminated.

13. The insured died on May 20, 2012 and the owner of the Policy made a demand on the Defendants for a refund of the unearned premium which the Plaintiff estimates to be approximately in the amount of \$62,375.00.

14. The letter from Lincoln National Life Insurance Company dated March 6, 2012 did not comply with what the insurance carrier was required to do under the terms of the contract of insurance. The insurance company was required to send a notice that "will show the amount of premium required to cover the monthly deduction to prevent the Policy from lapsing." The letter of March 6, 2012 did not do that.

15. Connecticut General Life Insurance Company was in breach of its insurance contract. It misrepresented to the owner of the Policy what had to be done in order to keep the Policy in force.

**COUNT I - BREACH OF CONTRACT**

16. Paragraphs 1 through 15 as set forth above are incorporated herein by reference as though the same were set forth herein at length.

17. The contract of insurance required the Defendants to send a notice that would show the amount of premium required to cover the monthly deduction necessary to prevent the Policy from lapsing.

18. The Defendant, Connecticut General Life Insurance Company, had made monthly deductions from the cash value of the Policy in order to pay the premiums each month.

19. The Defendant, Connecticut General Life Insurance Company, did not inform the Plaintiff of the amount of premium required to cover the monthly deduction necessary to prevent the Policy from lapsing. Instead, in violation of the terms of its agreement, the Defendant made demand for payment of a premium in the amount of \$90,417.79.

20. By demanding a payment in the amount of \$90,417.79 the Defendant, Connecticut General Life Insurance Company was in breach of the insurance contract and caused the Plaintiff to pay an amount greatly in excess of the monthly deduction necessary to prevent the Policy from lapsing and resulted in the Defendant, Connecticut General Life Insurance Company, retaining an unearned premium which the Plaintiff estimates to be approximately in the amount of \$62,375.00.

21. The Defendant, Connecticut General Life Insurance Company, has breached the fiduciary duty of good faith and fair dealing imposed upon each party to a contract in its performance and its enforcement.

**WHEREFORE**, the Plaintiff, Anthony J. Grosek, III, demands:

- A. That the Defendants be directed to account to the Plaintiff for the amount of the premium required to cover the monthly deduction to prevent the policy from lapsing from April 8, 2012 through the date of the insured's death on May 20, 2012; and
- B. That judgment be entered in favor of the Plaintiff, Anthony J. Grosek, III, and against the Defendants, Connecticut General Life Insurance Company and Lincoln National Life Insurance Company, in the amount of the unearned premium determined to be due to the Plaintiff which amount is in excess of \$50,000.00 which is in excess of the compulsory arbitration limits of Luzerne County together with interest and costs.

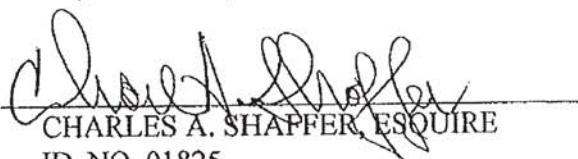
**COUNT II - BAD FAITH - 42 Pa. C.S.A. § 8371**

- 22. Paragraphs 1 through 21 as set forth above are incorporated herein by reference as though the same were set forth herein at length.
- 23. The Defendants have breached a known duty that is the duty of good faith and fair dealing through a motive of self-interest or ill will.
- 24. The conduct of the Defendants constitutes bad faith.

**WHEREFORE**, the Plaintiff, Anthony J. Grosek, III, prays this Honorable Court to:

- A. Award interest on the amount of his claim from the date the claim was made in an amount equal to the prime rate of interest plus 3%;
- B. Award punitive damages against the Defendants; and
- C. Assess court costs and attorneys' fees against the Defendants.

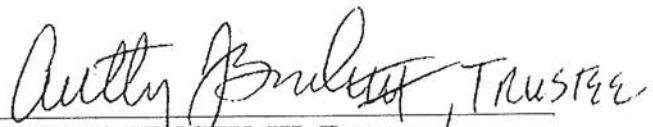
Respectfully submitted,  
PUGLIESE, FINNEGAN, SHAFFER & FERENTINOLLC

BY:   
CHARLES A. SHAFFER, ESQUIRE  
ID. NO. 01825  
570-283-1800  
Counsel for Plaintiff

Date: 2/11/2013

**VERIFICATION**

The facts set forth in the foregoing **COMPLAINT** are true upon the undersigned's personal knowledge or upon information and belief. This written statement of fact is made by the undersigned subject to the penalties of 18 Pa. C.S.A. §4904, relating to unsworn falsification to authorities, this 2nd day of January 2013.

  
Anthony J. Grosek, III, Trustee

ANTHONY J. GROSEK, III, Trustee

## **EXHIBIT “A”**

Insured ANTHONY J GROSEK, JR

5056025 Policy Number

Initial Specified Amount \$1,600,000

NOVEMBER 7, 1988 Date of Issue

# Connecticut General Life Insurance Company

Home Office: Bloomfield, Connecticut

Mailing Address: Hartford, Connecticut

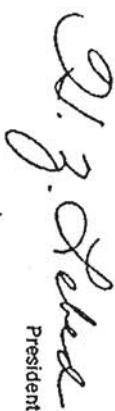
The Company agrees to pay the death benefit to the Beneficiary upon receipt of due proof of the Insured's death during the continuance of the policy. The Company further agrees to pay the net cash value to the Owner on the Maturity Date provided the Insured is then alive.

**Right to Examine Policy.** The policy may be returned to the insurance agent through whom it was purchased or to the Company within 10 days after its receipt (20 days after its receipt where required by law for policies issued in replacement of other insurance). If the policy is so returned, it will be deemed void from the Date of Issue, and the Company will refund the premium paid.

The policy is issued and accepted subject to the terms set forth on the following pages, which are made a part of the policy. In consideration of the application and the payment of premiums as provided, this policy is executed by Connecticut General Life Insurance Company as of its Date of Issue.



Secretary



President



Registrar

## Flexible Premium Adjustable Life Insurance Policy - Non-Participating

Death benefit payable in the event of death before the Maturity Date. Adjustable death benefit.

Net Cash Value payable on the Maturity Date.

Flexible Premiums payable to Maturity Date or prior death of the Insured.

Premium Payment Periods and Supplementary Coverages as shown in the Policy Specifications.

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## POLICY SPECIFICATIONS

INSURED	ANTHONY J GROSEK, JR	5056025	POLICY NUMBER
INITIAL SPECIFIED AMOUNT	\$1,600,000	NOVEMBER 7, 1988	DATE OF ISSUE
MINIMUM SPECIFIED AMOUNT	\$100,000	62	AGE AT ISSUE
MONTHLY ANNIVERSARY DAY	7	NONSMOKER	PREMIUM CLASS
		NOVEMBER 7, 2021	MATURITY DATE

FORM	BENEFIT	BENEFIT AMOUNT	EFFECTIVE DATE	MONTHLY INSURANCE COST	YEARS DEDUCTIBLE
LN505	FLEXIBLE PREMIUM ADJUSTABLE LIFE INSURANCE DEATH BENEFIT EQUALS SPECIFIED AMOUNT (WHICH INCLUDES THE CASH VALUE)	SEE INITIAL SPECIFIED AMOUNT	SEE DATE OF ISSUE PAGE 13	33	33

MINIMUM INITIAL PREMIUMS: \$120,730.17 DURING FIRST POLICY YEAR OR A MINIMUM OF 1/3 OF THIS AMOUNT PAYABLE DURING POLICY YEARS 1, 2 AND 3.

PAYMENT MODE: ANNUAL

NOTE: COVERAGE WILL END PRIOR TO THE MATURITY DATE SHOWN WHERE MINIMUM INITIAL PREMIUM REQUIREMENTS ARE NOT MET, OR SUBSEQUENT PREMIUMS AND CREDITED INTEREST ARE INSUFFICIENT TO CONTINUE COVERAGE TO SUCH DATE.

AS OF THE DATE OF ISSUE, THE INTEREST RATE ON ANY POLICY LOAN AS DESCRIBED IN THE "LOAN INTEREST" PROVISION ON PAGE 14 IS 8%. THIS RATE WILL STAY IN EFFECT UNTIL THE COMPANY NOTIFIES THE OWNER OF A CHANGE IN SUCH RATE.

OWNER GEORGE B SORDONI, TRUSTEE UNDER AN AGREEMENT OF TRUST WITH THE INSURED DATED MARCH 31, 1980,  
OR THE SUCCESSOR(S) IN SAID TRUST.

(CONTINUED ON PAGE 3.1)

LN505 IULMBC\*\*\*1

POLICY SPECIFICATIONS

INSURED	ANTHONY J GROSEK, JR	5056025	POLICY NUMBER
INITIAL SPECIFIED AMOUNT	\$1,600,000	NOVEMBER 7, 1988	DATE OF ISSUE
MINIMUM SPECIFIED AMOUNT	\$100,000	62	AGE AT ISSUE
MONTHLY ANNIVERSARY DAY	7	NONSMOKER	PREMIUM CLASS
		NOVEMBER 7, 2021	MATURITY DATE

(CONTINUED FROM PAGE 3)

BENEFICIARY                   GEORGE B SORDONI, TRUSTEE UNDER AN AGREEMENT OF TRUST WITH THE INSURED, DATED MARCH 31, 1980, OR THE SUCCESSOR(S) IN SAID TRUST.

## TABLE OF SURRENDER CHARGES

POLICY YEAR	SURRENDER CHARGE AS OF BEGINNING OF POLICY YEAR
1	\$79,700
2	76,751
3	73,770
4	70,757
5	67,697
6	64,604
7	61,448
8	58,244
9	54,945
10	51,581
11	48,122
12	44,568
13	30,676
14	18,546
15	8,272
16 AND THEREAFTER	0

**SPECIAL NOTE:** The current monthly cost of insurance rate is based on the sex, attained age (nearest birthday) and Premium Class of the person insured. In determining the monthly cost of insurance, the Company will add the amount of the Flat Extra Monthly Insurance Cost, if any, shown in the Policy Specifications. If the person insured is in a rated premium class, the Guaranteed Maximum Life Insurance Rates will be those in the table multiplied by the Risk Factor, if any, shown in the Policy Specifications. The rates below are based on the 1980 CSO Tables (Male or Female as appropriate).

for the Person Insured

ATTAINED AGE (nearest birthday)	MALE MONTHLY RATE	FEMALE MONTHLY RATE	ATTAINED AGE (nearest birthday)	MALE MONTHLY RATE	FEMALE MONTHLY RATE	ATTAINED AGE (nearest birthday)	MALE MONTHLY RATE	FEMALE MONTHLY RATE
0	0.34845	0.24089	35	0.17586	0.13752	70	3.30338	1.84590
1	0.08917	0.07251	36	0.18670	0.14669	71	3.62140	2.02325
2	0.08251	0.06750	37	0.20004	0.15752	72	3.98666	2.24419
3	0.08167	0.06584	38	0.21505	0.17003	73	4.40599	2.51548
4	0.07917	0.06417	39	0.23255	0.18503	74	4.87280	2.83552
5	0.07501	0.06334	40	0.25173	0.20171	75	5.37793	3.19685
6	0.07167	0.06084	41	0.27424	0.22005	76	5.91225	3.59370
7	0.06667	0.06000	42	0.29675	0.23922	77	6.46824	4.01942
8	0.06334	0.05834	43	0.32260	0.25757	78	7.04089	4.47410
9	0.06167	0.05750	44	0.34929	0.27674	79	7.64551	4.97042
10	0.06084	0.05667	45	0.37931	0.29675	80	8.30507	5.52957
11	0.06417	0.05750	46	0.41017	0.31677	81	9.03761	6.17118
12	0.07084	0.06000	47	0.44353	0.33761	82	9.86724	6.91414
13	0.08251	0.06250	48	0.47856	0.36096	83	10.80381	7.77075
14	0.09584	0.06667	49	0.51777	0.38598	84	11.82571	8.72632
15	0.11085	0.07084	50	0.55948	0.41350	85	12.91039	9.76952
16	0.12585	0.07501	51	0.60870	0.44270	86	14.03509	10.89151
17	0.13919	0.07917	52	0.66377	0.47523	87	15.18978	12.08770
18	0.14836	0.08167	53	0.72636	0.51276	88	16.36948	13.35774
19	0.15502	0.08501	54	0.79730	0.55114	89	17.57781	14.70820
20	0.15836	0.08751	55	0.87326	0.59118	90	18.82881	16.15259
21	0.15919	0.08917	56	0.95591	0.63123	91	20.14619	17.71416
22	0.15752	0.09084	57	1.04192	0.66961	92	21.57655	19.43814
23	0.15502	0.09251	58	1.13378	0.70633	93	23.20196	21.40786
24	0.15169	0.09501	59	1.23235	0.74556	94	25.28174	23.83051
25	0.14752	0.09668	60	1.34180	0.78979			
26	0.14419	0.09918	61	1.46381	0.84488			
27	0.14252	0.10168	62	1.60173	0.91417			
28	0.14169	0.10501	63	1.75809	1.00267			
29	0.14252	0.10835	64	1.93206	1.10539			
30	0.14419	0.11251	65	2.12283	1.21731			
31	0.14836	0.11668	66	2.32623	1.33511			
32	0.15252	0.12085	67	2.54312	1.45461			
33	0.15919	0.12502	68	2.77350	1.57247			
34	0.16669	0.13168	69	3.02328	1.69955			

### Table of Expense Charges

The following expenses are charged under this policy:

- An initial policy fee of \$300.
- A monthly charge of \$5 beginning on the Date of Issue.
- A charge of 5% of all premiums received.
- A fee of \$25.00 for each partial surrender.

## Premium and Reinstatement Provisions

**Payment of Premiums.** All premiums are payable at the Home Office or to an authorized agent of the Company. The first premium is due on the Date of Issue and is payable in advance. Subsequent premium payments may be made at any time before the Maturity Date. Receipts signed by the President or Secretary and duly countersigned will be furnished upon request.

Monthly Anniversary Days, policy months, policy years and policy anniversaries are computed from the Date of Issue.

**Minimum Premiums.** The Minimum Initial Premium as shown in the Policy Specifications for the Initial Specified Amount as of the Date of Issue is the amount required to prevent the policy from lapsing. Thereafter, the minimum premium is the amount required to maintain a positive surrender value as set forth under the "Grace Period" provision.

**Planned Annual Premiums.** The Company will send premium reminder notices for the amounts and frequency of payments established by the Owner. The Company reserves the right to stop sending such notices if no premium payment is made within 2 policy years. Changes in the amounts or frequency of such payments will be subject to consent of the Company.

**Unscheduled Premiums.** In addition to planned annual premiums, unscheduled premium payments of at least \$100.00 each may be made before the Maturity Date. The Company reserves the right to limit the amount or number of any such unscheduled premium payments.

**Grace Period.** If the surrender value on any Monthly Anniversary Day is less than the required monthly deduction, a grace period of 61 days will be granted to pay a premium sufficient to cover the required monthly deduction. (The surrender value and monthly deduction are described under "Nonforfeiture Provisions".) If, however, the effective date of the reinstated policy will be the Monthly Anniversary Day that coincides with or next follows the date the application for reinstatement is approved by the Company. The charges shown in the "Table of Surrender Charges" under this policy will be reinstated as of the policy year in which the policy lapsed.

At least 31 days before the end of the grace period the Company will send a notice that there is insufficient cash value under the policy. The notice will show the amount of premium required to cover the monthly deduction to prevent the policy from lapsing and will be mailed to the last known addresses of the Owner and the assignee of record with the Company, if any. If such premium, as billed by the Company, is not paid within the grace period, all coverage under the policy will terminate without value at the end of the grace period. If the insured dies during the grace period, the Company will deduct any overdue monthly deductions from the benefits.

**Reinstatement.** After the policy has lapsed due to the expiration of a grace period, it may be reinstated at any time prior to the Maturity Date provided: (a) it has not been surrendered for cash, (b) a written application for reinstatement is submitted to the Company, (c) evidence of insurability satisfactory to the Company is furnished, (d) enough premium is paid to keep the policy in force for at least 2 months, and (e) any indebtedness against the policy increased by any loan interest is paid or reinstated.

**Owner.** The Owner on the Date of Issue will be the person designated in the Policy Specifications. If no Owner is designated, the insured will be the Owner.

**Rights of Owner.** While the insured is alive, the Owner may exercise all rights and privileges under the policy including the right to: (a) release or surrender the policy to the Company, (b) agree

er, the Minimum Initial Premium requirement for the amounts and frequency as set forth in the Policy Specifications is met, the policy will not lapse during the Minimum Initial Premium period. The Minimum Initial Premium period is the period during which the Minimum Initial Premium is payable as set forth in the Policy Specifications.

## Ownership, Assignment and Beneficiary Provisions

with the Company to any change in or amendment to the policy, (c) transfer all rights and privileges to another person, and (d) assign the policy.

All rights and privileges of Owner may be exercised without the consent of any designated transferee, or any Beneficiary if the Owner has reserved the right to change the Beneficiary. All such

## Ownership, Assignment and Beneficiary Provisions (Continued)

rights and privileges, however, may be exercised only with the consent of any assignee recorded with the Company and the Beneficiary if the Owner has not reserved the right to change the Beneficiary.

Unless provided otherwise, if the Owner is a person other than the Insured and dies before the Insured, all the rights and privileges of Owner will vest in the Owner's executors, administrators or assigns.

**Transfer of Owner.** The Owner may transfer all rights and privileges of Owner. On the effective date of transfer, the transferee will become the Owner and will have all the rights and privileges of Owner. The Owner may revoke any transfer prior to its effective date.

Unless provided otherwise, a transfer will not affect the interest of any Beneficiary designated prior to the effective date of the transfer.

A transfer of Owner, or a revocation of transfer, must be in writing on a form satisfactory to the Company and filed at the Home Office. A transfer, or a revocation, will not take effect until recorded in writing by the Company. When a transfer or revocation has been so recorded, it will take effect as of the effective date specified by the Owner. Any payment made or any action taken or allowed by the Company before the transfer, or the revocation, is recorded will be without prejudice to the Company.

**Assignment.** The Company will not be affected by any assignment of the policy until the original assignment or a certified copy of the assignment is filed at the Home Office.

**Effective Date of Coverage.** The effective date of this policy will be the Date of Issue provided the initial premium has been paid while the Insured is alive and prior to any change in health from that shown in the original application. This provision will not, however, affect the terms of any Temporary Insurance Agreement.

For any increase or addition to coverage, the effective date will be the Monthly Anniversary Day that coincides with or next follows the date the supplemental application is approved by the Company

The Company does not assume responsibility for the validity or sufficiency of any assignment. An assignment of the policy will operate so long as the assignment remains in force.

To the extent provided under the terms of the assignment, an assignment will transfer the interest of any designated transferee or of any Beneficiary if the Owner has reserved the right to change the Beneficiary.

**Beneficiary.** The Beneficiary on the Date of Issue will be the person designated in the Policy Specifications.

Unless provided otherwise, the interest of any Beneficiary who dies before the Insured will vest in the Owner or the Owner's executors, administrators or assigns.

**Change of Beneficiary.** A new Beneficiary may be designated from time to time. A request for change of Beneficiary must be in writing on a form satisfactory to the Company and filed at the Home Office. The request must be signed by the Owner. The request must also be signed by the Beneficiary if the right to change the Beneficiary has not been reserved to the Owner.

A change of Beneficiary will not take effect until recorded in writing by the Company. When a change of Beneficiary has been so recorded, whether or not the Insured is then alive, it will take effect as of the date the request was signed. Any payment made or any action taken or allowed by the Company before the change of Beneficiary is recorded will be without prejudice to the Company.

Unless provided otherwise, the right to change any Beneficiary is reserved to the Owner.

## Insurance Coverage Provisions

provided (a) sufficient cash value exists under the policy to cover the cost for the increase or (b) sufficient premium for the increase or addition has been paid.

For any insurance that has been reinstated, the effective date will be the Monthly Anniversary Day that coincides with or next follows the day the application for reinstatement is approved by the Company.

### Insurance Coverage Provisions (Continued)

**Termination of Coverage.** All coverage under this policy will automatically terminate upon whichever of the following occurs first:

1. The owner surrenders the policy.
2. The insured dies.
3. The policy matures.
4. The grace period ends.

Any monthly deduction made after termination of coverage will not, by itself, be considered a reinstatement of the policy nor a waiver by the Company of the termination. Any such deduction will be refunded.

**Maturity Date.** As used in this policy, the term "Maturity Date" shall mean (a) the last date to which premiums can be paid, or (b) the date on which insurance coverage will cease, or (c) the date on which any remaining net cash value will be paid to the Owner if the Insured is then living.

**Death Benefit.** If the Insured dies while the policy is in force the Company will pay a death benefit based upon the Specified Amount Option in effect on the date of death, less (a) any indebtedness against the policy and (b) the amount of any partial surrenders. The Specified Amount Options available under this policy are as follows:

SPECIFIED  
AMOUNT  
OPTION A

The insured's Specified Amount is in addition to the cash value. The insured's death benefit (before deduction of any indebtedness against the policy and the amount of any partial surrenders) will equal the greater of:

(a) the Specified Amount on the date of death, or plus the cash value on the date of death, or

(b) an amount determined by the Company equal to that required by the Internal Revenue Code to maintain this contract as a life insurance policy. Any amount so determined will be set forth in the annual report which the Company will send to the Owner.

**SPECIFIED AMOUNT**  
**OPTION B**

The insured's Specified Amount includes the cash value. The insured's death benefit (before deduction of any indebtedness against the policy and the amount of any partial surrenders) will equal the greater of:

Unless the application for the policy indicates otherwise, or a change in the death benefit option is effected as provided below, the Company will consider Specified Amount Option B to be the option in effect.

**Changes in Amount of Death Benefit.** Unless provided otherwise, a change in death benefit may be effected under this policy, subject to (a) the consent of the Company and (b) the following conditions:

1. All such changes must be requested in writing on a form satisfactory to the Company and filed at the Home Office.
2. If a decrease in the Insured's Specified Amount is requested, the decrease will become effective on the Monthly Anniversary Day that coincides with or next follows receipt of the request, provided any requirements as determined by the Company are met.

In such event, the Company will reduce the existing Specified Amount against the most recent increase first, then against the next most recent increases successively, and finally, against insurance provided under the original application; however, the Company reserves the right to limit the amount of any decrease so that the Specified Amount will not be less than the Minimum Specified Amount shown in the Policy Specifications.

3. If an increase in the Insured's Specified Amount is requested:

(a) a supplemental application must be submitted and evidence of insurability satisfactory to the Company must be furnished; and

(b) any other requirements as determined by the Company must be met.

(a) the Specified Amount on the date of death, or  
(b) an amount determined by the Company equal to that required by the Internal Revenue Code to maintain this contract as a life insurance policy. Any amount so determined will be set forth in the annual report which the Company will send to the Owner.

## Insurance Coverage Provisions (Continued)

with or next follows the date the request is approved by the Company and (ii) the deduction from the cash value of the first month's cost of insurance for the increase. An increase in amount will result in additional surrender charges and a new Table of Surrender Charges will be provided when such increase takes effect.

4. If a request is made to change the death benefit from Specified Amount Option A to Specified Amount Option B:

- the Specified Amount will be increased to equal the death benefit as of the effective date of change; and
- the effective date will be the Monthly Anniversary Day that coincides with or next follows the date of receipt of the request for change.

5. If a request is made to change the death benefit from Specified Amount Option B to Specified Amount Option A:

Projection of Benefits and Values. The Company will provide a projection of illustrative future death benefits and cash values at any time upon written request and payment of a reasonable service fee. The fee payable will be the one then in effect for this service. The illustration will be based on (a) assumptions as to Specified Amount(s), type of coverage option(s) and future planned annual premium payments, and (b) such other assumptions (e.g., mortality and interest) as are necessary and specified.

## Nonforfeiture Provisions

**Cash Value.** On each Monthly Anniversary Day, the cash value will be calculated as (1), plus (2), plus (3), minus (4), where:

- is the cash value on the preceding Monthly Anniversary Day.
- is all premiums received since the preceding Monthly Anniversary Day less the percentage of premium expense charge from the "Table of Expense Charges".
- is interest on items (1) and (2).
- is the monthly deduction for the month following the Monthly Anniversary Day.

If premium is received at any time other than the beginning of a policy month, the rate of interest used in the calculation of item (3) above will be determined pro rata from the date of receipt.

Monthly Deduction. The monthly deduction for a policy month will be calculated as Charge (1) plus Charge (2) where:

CHARGE (1) is the cost of insurance (as described in the "Cost of Insurance" provision) and the cost of any additional benefits provided by rider for the policy month.

CHARGE (2) is the monthly expense charge from the "Table of Expense Charges".

**Interest Rates.** The Company will credit interest to the cash value of the policy on each Monthly Anniversary Day.

The interest rate applied to the net cash value of the policy will be the greater of:

## Nonforfeiture Provisions (Continued)

- (a) .32737% per month, compounded monthly (4% compounded yearly), or
- (b) a rate determined by the Company from time to time. Such rate will be established on a prospective basis and may vary by the issue year and duration.

**Cost of Insurance.** The cost of insurance for the insured is determined on a monthly basis. Such cost is calculated as (1), multiplied by the result of (2) minus (3), where:

- (1) is the cost of insurance rate as described in the "Cost of Insurance Rates" provision,
- (2) is the death benefit at the beginning of the policy month, divided by 1.0032737, and
- (3) is the cash value at the beginning of the policy month prior to the deduction for the monthly cost of insurance.

**Cost of Insurance Rates.** Monthly cost of insurance rates will be determined by the Company, based on its expectations as to future mortality experience. Any change in cost of insurance rates will apply to all individuals of the same class as the insured. Under no circumstances will the cost of insurance rates ever be greater than those shown in the "Table of Guaranteed Maximum Life Insurance Rates". Such guaranteed maximum rates are based on the Commissioners' 1980 Standard Ordinary Mortality Table (B) (age nearest birthday) modified by any flat extra or risk factors for the applicable premium class.

**Insufficient Value.** If the surrender value, on the day preceding a Monthly Anniversary Day is insufficient to cover the monthly deduction for the month following such Monthly Anniversary Day, the policy will terminate as provided in the "Grace Period" provision.

**Basis of Computations.** The minimum cash values under this policy are guaranteed to be no less than those calculated based on the Commissioners' 1980 Standard Ordinary Mortality Table (B)

(age nearest birthday) with interest at 4% per year, compounded yearly.

The cash values are at least equal to those required on the Date of Issue by the jurisdiction in which this policy is delivered. A detailed statement of the method of computing values has been filed with the insurance supervisory official of that jurisdiction.

**Continuation of Insurance.** In the event planned annual premium payments are not continued, insurance coverage under this policy and any benefits provided by rider will be continued until the surrender value is insufficient to cover the monthly deduction, as provided in the "Grace Period" provision. This provision will not continue the policy beyond the Maturity Date nor continue any rider beyond the date for its termination, as provided in the rider. At the Maturity Date, the Company will pay the net cash value to the Owner if the insured is then living.

**Surrender and Surrender Value.** This policy may be surrendered on any Monthly Anniversary Day during the lifetime of the insured and before the Maturity Date. The amount payable on surrender of this policy (i.e., the "surrender value") will be the net cash value on the date of surrender less a charge determined from the "Table of Surrender Charges". (The charges shown in the table are the charges imposed at the beginning of the policy year; charges imposed upon surrender during the policy year will be determined on a consistent basis allowing for the lapse of time within such year.)

This surrender value will be paid in cash or under an elected optional mode of settlement. The Company may defer the payment of the surrender value for the period permitted by law, but not for more than 6 months from the date of request for surrender.

If surrender is requested under this section within 30 days after a policy anniversary, the surrender value will not be less than the surrender value on that anniversary, less any policy loans or partial surrenders made on or after such anniversary.

**Partial Surrender.** A partial surrender of this policy may be elected on any Monthly Anniversary Day during the lifetime of the insured and prior to the Maturity Date by submitting written request to the Company. The amount of the partial surrender (a) must be at least \$500.00 but (b) may not exceed 90% of the then current surrender value.

When a partial surrender is made, the amount of the partial surrender will be deducted from the cash value. Also, the death benefit will be reduced by the amount of the partial surrender. The Specified Amount remaining in force after any partial surrender will be subject to the limits and minimum amount described in the "Changes in Amount of Death Benefit" provision.

The Company will not allow a partial surrender if the surrender value would be reduced below that required under the laws of the jurisdiction in which this policy is delivered.

## Nontorfeiture Provisions (Continued)

**Policy Loans.** After a cash surrender value is available, the Company will grant a loan against the policy provided: (a) a proper loan agreement is executed and (b) a satisfactory assignment of the policy to the Company is made. The total amount of all loans with interest may not exceed the surrender value of the policy.

The Company may defer a loan for 6 months from the date of the request for the loan. The Company will not, however, defer a loan to be used to pay premiums on policies with the Company.

**Loan Interest.** Interest on any policy loan will be at a rate no greater than 8% per year payable in arrears. Loan interest is payable annually on each policy anniversary or as otherwise agreed in writing by the Owner and the Company. Interest not paid when due will then be added to the loan and bear interest at the same

rate. Interest, as it accrues from day to day, will constitute an indebtedness.

**Indebtedness.** The term "indebtedness" means money which is owed on this policy because of a loan on this policy. Any indebtedness at time of settlement will reduce the proceeds. Indebtedness may be repaid in whole or in part at any time before the policy matures. If, however, a premium is not paid within the grace period, any outstanding indebtedness can be repaid only if the policy is reinstated.

If at any time the total indebtedness against the policy, including interest accrued but not due, equals or exceeds the then current cash value, the policy will thereupon terminate without value subject to the conditions in the "Grace Period" provision.

## Loan Provisions

### General Provisions

**The Policy.** The policy and the application for the policy (including any supplemental applications for additional Specified Amounts) constitute the entire contract between the parties. All statements made in the application will, in the absence of fraud, be deemed representations and not warranties. No statement will be used in defense of a claim under the policy unless it is contained in the application, and a copy of the application is attached to the policy when issued.

Only the President, a Vice President, a Secretary, a Director or an Assistant Director of the Company may make or modify this policy.

The policy is executed at the Home Office of the Company, the Post Office address of which is Hartford, Connecticut.

**Non-Participation.** The policy is not entitled to share in surplus distribution.

A fee as set forth in the "Table of Expense Charges" will be deducted for each partial surrender. The Company reserves the right to limit the number of partial surrenders in a policy year. The Company also reserves the right to defer payment for the period permitted by law, but not for more than 6 months from the date of request for the partial surrender, unless such partial surrender amount is to be applied to the payment of premiums on policies with the Company.

## General Provisions (Continued)

**Payment of Proceeds.** Proceeds, as used in this policy, means the amount payable (a) on the Maturity Date, (b) upon the surrender of this policy before the Maturity Date, or (c) upon the death of the insured.

The proceeds payable upon receipt of due proof of the insured's death will be the insured's death benefit less (a) any indebtedness against the policy and (b) the amount of any partial surrenders. If the policy is surrendered before the Maturity Date, the proceeds will be the surrender value described in the "Nonforfeiture Provisions" section. On the Maturity Date, the proceeds will be the net cash value. The proceeds are subject to the adjustments described in the following provisions:

1. Misstatement of Age;
2. Incontestability;
3. Suicide;
4. Partial Surrender;
5. Grace Period; and
6. Indebtedness.

When settlement is made, the Company may require return of the policy.

**Misstatement of Age.** If the age of the insured is misstated, the Company will adjust the death benefit to the amount that would have been purchased for the correct age at the then current cost of insurance rates. No adjustment, however, will be made to the cash value of the policy.

**Suicide.** If the insured commits suicide, while sane or insane, within 2 years from the Date of Issue, the death benefit will be

limited to a refund of premiums paid, less (a) any indebtedness against the policy and (b) the amount of any partial surrenders. If the insured commits suicide, while sane or insane, within 2 years from the effective date of any increase in the Specified Amount, the death benefit payment with respect to such increase will be limited to a refund of the monthly charges for the cost of such insurance.

**Incontestability.** Except for nonpayment of monthly deductions, this policy will be contestable after it has been in force during the insured's lifetime for 2 years from its Date of Issue. This means that the Company will not use any misstatement in the application to challenge a claim or avoid liability after that time. Any increase in the Specified Amount effective after the Date of Issue will be contestable only after such increase has been in force for 2 years during the insured's lifetime.

The basis for contesting an increase in Specified Amount will be limited to material misrepresentations made in the supplemental application for the increase. The basis for contesting after reinstatement will be (a) limited for a period of 2 years from the date of reinstatement and (b) limited to material misrepresentations made in the reinstatement application.

**Annual Report.** The Company will send a report to the Owner at least once a year without charge for such a report. The report will show (a) the current death benefit, (b) the current net cash value, (c) premiums paid and all deductions made since the last report, and (d) outstanding policy loans.

**Change of Plan.** This policy may be exchanged for another policy only if the Company consents to the exchange and all requirements for the exchange as determined by the Company are met.

## Optional Methods of Settlement

This rider is made part of the policy to which it is attached as of the Date of Issue.

Calendar Year in which the first instalment is payable	Settlement Age of Payee is age nearest birthday plus
Before 1990	3
1990 - 1999	2
2000 - 2009	1
2010 and later	0

Upon written request, the Company will agree to pay in accordance with any one of the options shown below all or part of the net proceeds that may be payable under the policy. If (a) the proceeds to be settled under any option are less than \$2,500; (b) any instalment or interest payment is less than \$25; or (c) any payee is a corporation, partnership, association, trustee or assignee, such options will be available only with the Company's consent.

While the insured is alive, the request may be made by the Owner. Unless otherwise specified in writing by the Owner, such a request may also be made by the Beneficiary, after the insured's death, provided it is made prior to any payment.

**Option A: Annuity Certain.** A definite number of equal instalments or their equivalent will be payable. The first payment will be payable on the date proceeds are settled under the option. The amount of each instalment will be determined from the Option A Table. The Option A Table is based on a guaranteed interest rate of 3% per year compounded annually.

**Option B: Life Annuity with Certain Period.** A definite number of equal monthly instalments or their equivalent, and as long thereafter as the payee lives, will be payable. The first payment will be payable on the date proceeds are settled under the option. The amount of each instalment will be determined from the Option B Table based on the payee's sex and settlement age. The settlement age shown in the Option B Table will be the payee's age, nearest birthday, on the date the first amount is paid modified as follows:

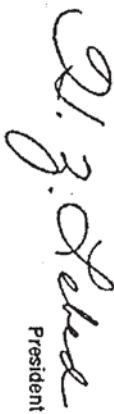
**Option C: As a Deposit at Interest.** The Company will retain the proceeds while the payee is alive and will pay interest annually thereon at a rate of not less than 3% per year. Upon the payee's death, the amount on deposit will be paid.

**Option D: Instalments Until Proceeds are Exhausted.** Instalments of specified amounts will be payable until the proceeds with any interest thereon are exhausted. The first instalment will be payable on the date proceeds are settled under the option. The instalment amounts must be at least \$120 per year per \$1,000 of proceeds retained. Interest will be payable at a rate of not less than 3% per year compounded annually.

**Additional Options.** Any proceeds payable under the policy may also be settled under any other method of settlement offered by the Company at the time of the request.

**Excess Interest.** At the sole discretion of the Company, excess interest may be paid or credited from time to time in addition to the payments guaranteed under any Optional Method of Settlement.

Connecticut General Life Insurance Company

  
D. J. Hebe  
President

## Option A Table For Each \$ 1,000 Retained

Number of years during which installments will be paid	Amount of each instalment		Number of years during which installments will be paid	Amount of each instalment		Number of years during which installments will be paid	Amount of each instalment	
	Annual	Monthly		Annual	Monthly		Annual	Monthly
1	\$1,000.00	\$84.47	9	\$124.69	\$10.53	16	\$77.29	\$6.53
2	507.39	42.66	10	113.62	9.51	17	73.74	6.23
3	343.23	28.99	11	104.93	8.86	18	70.59	5.95
4	261.19	22.06	12	97.54	8.24	19	67.78	5.73
5	211.99	17.91	13	91.29	7.71	20	65.26	5.51
6	179.22	15.14	14	85.95	7.26	25	55.76	4.71
7	155.83	13.16	15	81.33	6.87	30	49.53	4.18
8	138.31	11.68						

## Option B Table For Each \$1,000 Retained

Settlement age of payee nearest birthday	Number of instalments certain				Settlement age of payee nearest birthday	Number of instalments certain				Settlement age of payee nearest birthday	Number of instalments certain			
	60	120	180	240		60	120	180	240		60	120	180	240
Male	Female	\$3.16	\$3.16	\$3.16	Male	Female	\$3.67	\$3.66	\$3.65	Male	Female	\$5.47	\$5.34	\$5.15
10*	10	3.16	3.16	3.16	32	37	3.67	3.66	3.65	59	64	5.47	5.34	5.15
11	3.17	3.17	3.17	3.17	33	38	3.70	3.70	3.69	60	65	5.59	5.45	5.24
12	3.18	3.18	3.18	3.18	34	39	3.74	3.73	3.72	61	66	5.71	5.56	5.33
13	3.19	3.19	3.19	3.19	35	40	3.77	3.77	3.75	62	67	5.85	5.68	5.42
14	3.20	3.20	3.20	3.20	36	41	3.81	3.80	3.79	63	68	5.99	5.80	5.51
15	3.21	3.21	3.21	3.21	37	42	3.85	3.84	3.83	64	69	6.15	5.93	5.61
16	3.23	3.22	3.22	3.22	38	43	3.89	3.88	3.87	65	70	6.31	6.07	5.70
17	3.24	3.24	3.24	3.24	39	44	3.94	3.93	3.91	66	71	6.48	6.21	5.80
18	3.25	3.25	3.25	3.25	40	45	3.99	3.97	3.95	67	72	6.66	6.35	5.90
19	3.27	3.27	3.26	3.26	41	46	4.03	4.02	3.96	68	73	6.86	6.50	5.43
20	3.28	3.28	3.28	3.27	42	47	4.09	4.07	4.05	69	74	7.07	6.66	6.10
21	3.30	3.30	3.29	3.29	43	48	4.14	4.13	4.09	70	75	7.29	6.83	6.19
22	3.31	3.31	3.31	3.31	44	49	4.20	4.18	4.14	71	76	7.52	7.00	6.29
23	3.33	3.33	3.33	3.32	45	50	4.26	4.24	4.20	72	77	7.77	7.17	6.38
24	3.35	3.35	3.34	3.34	46	51	4.32	4.30	4.25	73	78	8.04	7.35	6.47
25	3.37	3.37	3.36	3.36	47	52	4.39	4.36	4.31	74	79	8.32	7.53	6.55
26	3.39	3.38	3.38	3.38	48	53	4.46	4.43	4.37	75	80	8.62	7.71	6.63
27	3.41	3.40	3.40	3.40	49	54	4.53	4.49	4.43	76	81	8.94	7.89	6.71
28	3.43	3.43	3.42	3.42	50	55	4.61	4.56	4.49	77	82	9.28	8.07	6.78
29	3.45	3.45	3.44	3.44	51	56	4.69	4.64	4.55	78	83	9.63	8.25	6.84
30	3.56	3.57	3.57	3.56	56	61	5.14	5.05	4.91	79	84	10.00	8.43	6.89
31	3.60	3.60	3.59	3.58	57	62	5.24	5.14	4.99	80	85	10.39	8.60	6.94
32	3.63	3.63	3.62	3.61	58	63	5.35	5.24	5.07	81	86	10.80	8.77	6.98

\* and under

.. and over

## Optional Methods of Settlement (Continued)

CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
HARTFORD, CONNECTICUT

Insured: ANTHONY J GROSEK, JR

Policy Number: 5056025

Date of this Rider: NOVEMBER 7, 1988

In accordance with the "Change of Plan Provisions" of prior Policy Number 1927896

The period during which this policy is contestable, as provided for in the provision of the policy entitled "Incontestability", and the period during which the suicide of the Insured is a risk not assumed, as provided for in the provision of the policy entitled "Suicide", will, with respect to the amount of insurance of the prior policy, begin from the date of issue of the prior policy. Such provisions, however, will begin from the Date of Issue of this new policy with respect to any amount of insurance in excess of the amount of insurance of the prior policy.

*D. J. Hebed*  
President

## LIFE INSURANCE APPLICATION — SIMPLIFIED

No 003607

PART I

1a. Full First Name	Middle Initial	Last Name	b. Proposed Insured's SS #	c. Sex									
Anthony	J	George Jr	<input checked="" type="checkbox"/> 6 4 - 2 4 - 4 6 0 7	<input checked="" type="checkbox"/> M <input type="checkbox"/> F									
d. Date of Birth	Month	Day	Year	Place of Birth State									
	5	19	36	62									
2. Residence	Street and No.	City	State	Zip Code									
R D #2	BUT 2	Pioneer Ave	Dallas	PA 18612									
(Home) (Work) 712-826-6822													
3a. Plan of Insurance	(Flex. Prem. Adjustable Life) Continuum/PAT												
b. ELECTED RATE: <input type="checkbox"/> Sex Neutral (check one) <input checked="" type="checkbox"/> Sex Distinct													
c. <input type="checkbox"/> Option (A) Specified Amount Plus Cash Value <input checked="" type="checkbox"/> Option (B) Specified Amount													
Initial Specified Amount \$ 1600,000 1st Year Planned Annual Premium \$ 68,631 <input type="checkbox"/> Lump Sum Deposit \$													
4. Shall the Automatic Premium Loan provision (if available) be made effective? <input type="checkbox"/> Yes <input type="checkbox"/> No													
5. Additional Benefits (if available.) Check benefit(s) desired and indicate amount where requested.													
<input type="checkbox"/> Waiver of Premium (WP)/Monthly Deduction (WMD) <input type="checkbox"/> Target Term Rider (TTR) % \$													
<input type="checkbox"/> Additional Indemnity (AI) \$ (if less than face) <input type="checkbox"/> Flex Premium Increasing Term Rider (FPIT) \$													
<input type="checkbox"/> Insured Purchase Option (IPO) \$ <input type="checkbox"/> \$ <input type="checkbox"/> \$													
6a. Occupation President How long so employed? 15 Years													
b. Name of employer and nature of business <i>Financial Alliance Inc.</i>													
c. Is employer the Owner <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No of this Policy?													
d. Place of Business Street and No. City State Zip Code													
5101 15th Street 10 W 15th Street Dallas, PA 18612													
7a. Owner AND relationship to proposed Insured if other than #6b. (If no other Owner is designated, the Insured shall be Owner.) <i>George B. Sordoni, Trustee under an Agreement of Trust with the Financial Alliance Inc. dated 3/1/80</i>													
b. Contingent Owner, if any, AND relationship to Proposed Insured.													
c. If Owner is other than the Insured, Owner's SS # <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> - <input type="checkbox"/> <input type="checkbox"/> - <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> or Tax I.D. # <input checked="" type="checkbox"/> <input type="checkbox"/> - <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>													
8a. How shall premiums be payable? <input checked="" type="checkbox"/> Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Salary Allotment <input type="checkbox"/> Semi-Annually <input type="checkbox"/> PAC <input type="checkbox"/> Govt. Allotment													
b. To whom shall premium notices be sent? <input type="checkbox"/> To both Insured and Owner <input type="checkbox"/> To Insured only (Owner must sign Application) <input checked="" type="checkbox"/> To Owner only													
c. If Insured is to receive premium notices, where should they be sent? <input type="checkbox"/> Insured's residence <input type="checkbox"/> Insured's business <input type="checkbox"/> Other													
d. If Owner is to receive premium notices, where should they be sent? 96 Bex 276 Dallas, PA 18612													
9. Beneficiary. All Primary Beneficiaries who survive the Insured shall share equally unless otherwise indicated. If no Primary Beneficiary survives the Insured, benefits will be paid in equal shares to the Contingent Beneficiaries, if surviving the Insured, unless otherwise specified.													
a. Primary Beneficiary AND relationship to Proposed Insured. b. Contingent Beneficiary AND relationship to Proposed Insured. <i>George B. Sordoni, Trustee under an Agreement of Trust with the Insured Dated March 31, 1980</i>													
c. Is the right to change the Beneficiary and to exercise all other policy rights without the consent of the Beneficiary reserved to the Owner? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No													
10. If Beneficiary or Owner is other than an individual, indicate whether a													
<input type="checkbox"/> Corporation or <input type="checkbox"/> Partnership													
11. Will you discontinue or otherwise stop paying premiums on any Life Insurance or Annuity if this Insurance is issued? If "Yes," give full details in space provided. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Forward proper replacement forms, if required.													
<table border="1"> <thead> <tr> <th>Company</th> <th>Policy Number</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Conn Gen</td> <td>1927896</td> <td>686,000</td> </tr> <tr> <td>Bancr. Life</td> <td>110470748</td> <td>500,000</td> </tr> </tbody> </table>					Company	Policy Number	Amount	Conn Gen	1927896	686,000	Bancr. Life	110470748	500,000
Company	Policy Number	Amount											
Conn Gen	1927896	686,000											
Bancr. Life	110470748	500,000											

12. Do you contemplate flying, or have you flown during the past 2 years as a pilot, student pilot, or crew member?  Yes  No  
If "Yes" an Aviation Supplement is required.

13. Do you plan to participate or have you participated within the past 2 years in any hazardous sports or activities such as motor vehicle or boat racing, hang gliding, or sky, skin, or scuba diving?  Yes  No  
If "Yes," complete Avocation questionnaire.

14. Do you contemplate residence or travel outside of the United States or Canada for more than 30 days within the next year?  Yes  No  
If "Yes," give full details in space provided at right.

15. Have you ever applied for any Life or Health Insurance which resulted in your being turned down, asked to pay extra premium, or issued a reduced face amount?  Yes  No  
If "Yes," give full details in space provided at right.

16. What is your exact height? ft. in.

17. What is your exact weight? lbs.

18. Have you ever had or consulted a physician for: any disease of the heart, blood vessels, or lungs; tumor or cancer; elevated blood pressure; nervous system disorder; mental, emotional or behavioral disorder; diabetes, kidney or urinary disorder; disease of the stomach, intestines, or liver; treatment for alcoholism or drug abuse; or major accident?  Yes  No  
If "Yes," give full details in space provided at right.

19. During the last six months, have you been absent from work (or school) because of illness or injury?  Yes  No  
If "Yes," give full details in space provided at right.

20. When and for what reason did you last consult a physician? Give full details in space provided at right. Include physician's name.

21. Have you smoked one or more cigarettes in the past 12 months?  Yes  No

DETAILS OF "YES" ANSWERS TO QUESTIONS  
14-20. Identify question Number.

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## Response to questions 11 thru 21 not requested for Precedent Asset Transfer Program

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### 22. ADDITIONAL INSTRUCTIONS

Precedent Policy 1927896 shall be transferred.  
Date policy 11-7-88

### 23. HOME OFFICE CHANGES OR CORRECTIONS

Client # 00000505

I (We) have read the above questions and answers and declare that they are complete and true to the best of my (our) knowledge and belief. I (We) agree, a) that this Application (Part I, pages 1 and 2; Part II if required) shall form a part of any Policy issued, and b) that no Agent/Representative of the Company shall have the authority to waive a complete answer to any question in this Application, transfer insurability, make or alter any contract, or waive any of the Company's other rights or requirements. I (We) further agree that no insurance shall take effect (except as provided in the Temporary Life Insurance Agreement if an advance payment has been made and acknowledged above and such Agreement issued) unless and until the Policy has been delivered to and accepted by me (us) and the initial premium paid during the lifetime and prior to any change in the health of the Proposed Insured.

Changes or corrections made by the Company and noted in Item 23 above are ratified by the Owner upon acceptance of a contract containing this Application with the noted changes or corrections. In those states where written consent is required by statute or State Insurance Department regulation, amendments as to plan, amount, age at issue, classification, or benefits will be made only with the Owner's written consent.

Dated at George J. Hoch on 11 Month 19 Year 88  
City and State

Witness - Licensed Agent/Representative

George J. Hoch

Witness

X George J. Hoch on 11 Month 19 Year 88  
Signature of Proposed Insured

X George M. Hoch Signature of Applicant/Owner if Other than  
Proposed Insured (when required)

Nº 003607

## PART II OF APPLICATION FOR INSURANCE

Proposed Insured's answers must be recorded by Medical Examiner with no one else present)

PROPOSED INSURED:	CROSEK, Anthony Jr.	BIRTHDATE			EXAMINER: PLEASE CHECK REASON FOR EXAMINATION: <input checked="" type="checkbox"/> LIFE INS. <input type="checkbox"/> DISABILITY INS. <input type="checkbox"/> PLAN CHANGE <input type="checkbox"/> OTHER (Explain)
		MO.	DAY	YR.	
1. Have you ever had or been treated for:		Yes	No	Details of "Yes" answers: Identify question number, circle applicable items. Include diagnosis, dates, duration and names and addresses of all attending physicians and medical facilities.	
a. Chest pain, high blood pressure, heart disease, heart murmur, or other disorders of the heart or blood vessels?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	1. a. History hypertension for past 5-6 yrs. well controlled with medication	
b. Ulcers, colitis, jaundice, or other disease of the stomach, liver, intestines or gallbladder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	3.b. Routine check ups and blood tests at family physician's office	
c. Sugar, albumin, blood or pus in the urine; venereal disease; disorder of the kidney or bladder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	3.c. Hospitalized for adverse reaction to a new blood pressure med. in August, 1988.	
d. Seizures, epilepsy, fainting, dizziness, stroke or paralysis?		<input type="checkbox"/>	<input checked="" type="checkbox"/>	6. Mother developed diabetes in old age, very mild according to patient.	
e. Nervous, mental, or emotional disorder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
f. Any tumor, cancer, cysts; any disorder of lymph glands?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
g. Arthritis, gout, recurrent back pain, sciatica, neuritis, or any disorder of the back, spine, nerves, muscles or joints?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
h. Diabetes, thyroid or other endocrine or glandular disorder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
i. Anemia, immune deficiency, or any other blood disorder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
j. Asthma, emphysema, shortness of breath, or any other disorder of the respiratory system?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
k. Disorder of the eyes, ears, nose or throat?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
l. Drug or alcohol abuse, or been advised to limit your use of alcohol or addictive substances?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
m. Any physical abnormality or deformity?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
n. Allergies or skin disorder?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
2. Are you now under observation or treatment?				<input type="checkbox"/>	
3. Other than above, have you within the past 5 years:				<input type="checkbox"/>	
a. Had any mental or physical disorder not listed above?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
b. Had a check-up, electrocardiogram, x-ray, blood test or diagnostic test?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
c. Been a patient in a hospital, clinic, sanatorium, or other medical facility?		<input checked="" type="checkbox"/>	<input type="checkbox"/>		
d. Been advised to have any diagnostic test, hospitalization, or surgery which was not completed?		<input type="checkbox"/>	<input checked="" type="checkbox"/>		
4. Have you ever requested or received benefits or payment because of an injury, sickness or disability?				<input type="checkbox"/>	
5. Have you used tobacco in any form within the last twelve months? If "Yes," describe frequency and kind of tobacco used.				<input type="checkbox"/>	
5. Family History: Diabetes, cancer, high blood pressure, mental illness, suicide or heart disease?				<input checked="" type="checkbox"/>	
	Age if Living	Cause of Death	Age at Death		
	Father	CVA	76		
Mother	old age	94			
Brothers & Sisters	39, 65, 68, 76, 74, 70				
No. Living (including self)	10				
No. Dead					
7a. Name and address of your personal physician:				(If none, please check) <input type="checkbox"/> None	
Dr. Kevin Jacobs, Pachell, Dallas, PA					
b. Date and reason last consulted: Oct. 1988 - for routine physical					
c. What treatment was given or medication prescribed? NONE					
I hereby declare that the statements and answers to the above questions are complete and true to the best of my knowledge and belief. I agree that a copy of this Part II shall be attached to and form a part of any policy issued.					
ATTED AT (City, State & Zip Code)	(Month, Day & Year)		SIGNATURE OF PROPOSED INSURED OR PARENT OR GUARDIAN IF A JUVENILE		
Kingston, PA. 18704	on: 11-4-88		John J. Jacobs		
ITNESS (Medical Examiner) David J. Jacobs, D.O.					

Endorsements

1 NIECE

## Connecticut General Life Insurance Company

### Flexible Premium Adjustable Life Insurance Policy - Non-Participating

Death benefit payable in the event of death before the Maturity Date. Adjustable death benefit.

Net Cash Value payable on the Maturity Date.

Flexible Premiums payable to Maturity Date or prior death of the Insured.

Premium Payment Periods and Supplementary Coverages as shown in the Policy Specifications.

## **EXHIBIT “B”**



**2011 Annual Statement**  
**A UNIVERSAL LIFE PRODUCT**

November 7, 2010 to November 6, 2011

THE CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
 CHARTERED 1851  
 HEADQUARTERS  
 NEW YORK

Also Insured in Connecticut  
 Connecticut General Life Insurance Co.

ANTHONY J GROSEK JR T07033H  
 GEORGE B SORION T061  
 644 MEADOWS NEWBERRY EST  
 DALLAS, PA 18612

**GENERAL INFORMATION ON YOUR CONTINUUM POLICY**

INSURED NAME: ANTHONY J GROSEK JR  
 DATE OF BIRTH: MAY 9, 1934  
 AGE AT ISSUE: 67  
 POLICY NUMBER: 5056015  
 ISSUE DATE: NOVEMBER 7, 1981  
 ANNIVERSARY DATE: NOVEMBER 7, 1981  
 OWNER NAME: ANTHONY J GROSEK JR T07033H  
 MATURITY DATE: NOVEMBER 7, 2021  
 PLANNED PERIODIC PREMIUM: \$29,501.00 ANNUALLY

FINANCIAL REPRESENTATIVE: BILL BIEGNIE

This Annual Statement was prepared on November 7, 2011. For an explanation of terms used in this Statement, please see Glossary of Key Terms.

If you have any questions, please contact your Financial Representative or call our Client Service Center at (866) 835-3223 between 8:00 a.m. and 6:00 p.m. Eastern Time.

**POLICY VALUES AND BENEFIT SUMMARY**

	AS OF 11/06/2010	AS OF 11/06/2011
DEATH BENEFIT	\$1,600,000.00	\$1,600,000.00
GROSS FUND VALUE	\$1,211.03	\$3,458.89

**Paid-in Premiums:**  
 Premiums received during this policy year = \$29,501.00

**Withdrawals:**  
 Partial Withdrawals during this policy year = \$0.00  
 Withdrawal fees incurred during this policy year = \$0.00

**Interest Information:**  
 Effective annual rate for interest credited on borrowed funds = 7.09%  
 Average interest rate on cash borrowed funds = 4.02%  
 Total interest credited during this policy year = \$2,109.14  
 Premiums deposit interest rate = 0.250%.

**Debt Collection:**  
 Expense charges during this policy year = \$1,535.00  
 Insurance charges = \$102,246.13  
 Total insurance costs = \$104,246.13

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**CONTINUUM - UNIVERSAL LIFE**  
 CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
 Supplement to Accompany Report Prepared November 8, 2011

Policy Number: 5056015

Issued Name: Anthony J Grosek Jr

Date of Transaction	Type of Transaction	Increase to Fund Value (XXXXXX if applicable)	Decrease to Fund Value
11/07/2011	Expense Charge	\$0.00	\$0.00
11/07/2011	Mortality Charge	\$445.59	\$445.59
11/07/2011	Interest Credited	236.23	(0.00)00
11/07/2011	Interest Charge	\$0.00	\$0.00
12/07/2010	Expense Charge	\$0.00	\$0.00
12/07/2010	Previous Payment	2150.00	\$0.00
12/07/2010	Expense Charge	\$0.00	\$0.00
01/06/2011	Interest Credited	327.41	(0.00)00
01/07/2011	Expense Charge	\$0.00	\$0.00
02/07/2011	Interest Credited	327.41	(0.00)00
02/07/2011	Expense Charge	\$0.00	\$0.00
03/07/2011	Interest Credited	321.21	(0.00)00
03/07/2011	Expense Charge	\$0.00	\$0.00
04/07/2011	Interest Credited	321.35	(0.00)00
04/07/2011	Expense Charge	\$0.00	\$0.00
05/07/2011	Interest Credited	321.35	(0.00)00
05/07/2011	Expense Charge	\$0.00	\$0.00
06/07/2011	Interest Credited	321.35	(0.00)00
06/07/2011	Expense Charge	\$0.00	\$0.00
07/07/2011	Interest Credited	321.35	(0.00)00
07/07/2011	Expense Charge	\$0.00	\$0.00
08/07/2011	Interest Credited	315.56	(0.00)00
08/07/2011	Expense Charge	\$0.00	\$0.00
09/07/2011	Interest Credited	315.56	(0.00)00
09/07/2011	Expense Charge	\$0.00	\$0.00
10/07/2011	Interest Credited	315.56	(0.00)00
10/07/2011	Expense Charge	\$0.00	\$0.00
11/07/2011	Interest Credited	315.56	(0.00)00

\* The credited interest rate includes a premium bonus of 0.250% of the fund value.

Policy Number: 5056025

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**POLICY PROJECTIONS**

**If Planned Premiums Are Paid Using Current Rates\***

Based on the current rates for the current policy year, the projected value of the policy at the end of the policy year is projected to be \$1,600.00. The monthly and annual interest per \$100 for the current year will be 5.00%. Using current rates of insurance charges, and using the same assumptions, the average death benefit will be \$1,600.00 in 2012. Premiums are included for scheduled premium charges.

**If Planned Premiums Are Paid Using Guaranteed Rates:**

Based on current rates for your policy as of 12/07/2011 using the guaranteed interest and scheduled premium charges.

**If No Additional Premiums Are Paid:**

Assuming no further premiums are paid, no other actions are performed affecting the policy values, and using guaranteed interest and guaranteed rates of insurance for the policy, the value of the policy will be \$1,600.00.

**TRANSACTION HISTORY**

DEATH BENEFIT AS OF 11/06/2010	\$1,600,000.00	CURRENT GROSS FUND VALUE	\$1,600.00
CURRENT DEATH BENEFIT	\$1,600,000.00	CURRENT NET FUND VALUE	\$1,600.00
CURRENT NET DEATH BENEFIT	\$1,600,000.00	CURRENT SURRENDER VALUE	\$1,600.00
<b>TOTAL LOAN</b>			
Effective Month	Payment Received	Expense Charges	Interest Credited
Interest Rate	Interest Charged	Insurance Charge	Partial Withdrawal
End Date	Face Value	Death Benefit	

11/06/2010	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
01/06/2011	236.23	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
02/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
03/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
04/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
05/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
06/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
07/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
08/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
09/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
10/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
11/06/2011	0.00	315.56	235.12	5.00	1,600.00	\$1,600.00	\$1,600.00
Total:	\$29,501.00	\$1,535.00	\$1,664.14	\$11.20	\$1,600.00	\$1,600.00	\$0.00

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**CONTINUUM - UNIVERSAL LIFE**  
 CONNECTICUT GENERAL LIFE INSURANCE COMPANY  
 Supplement to Accompany Report Prepared November 8, 2011

Policy Number: 5056025

Issued Name: Anthony J Grosek Jr

Policy Number: 5056025

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**GLOSSARY OF KEY TERMS AND ADDITIONAL IMPORTANT INFORMATION**

**This Annual Statement** was designed to provide you with a summary of transactions that may have affected your policy's values and benefits over the past year. It is not a contract, and the terms of this policy constitute the actual agreement of coverage. It is important to us that you understand the information provided; therefore, we have listed several of the key terms used in this Statement along with a brief explanation of each.

**GENERAL INFORMATION ON YOUR CONTINUUM POLICY**

This statement provides policy value information for this Universal Life product for the twelve-month period ending on November 7, 2011. Universal Life insurance policies allow for a flexible payment as scheduled, as long as there is a positive cash surrender value at the end of the policy year.

Any transactions that occurred after the date this Statement was prepared will appear on your next Statement.

**POLICY VALUES AND BENEFIT SUMMARY**

**Planned Periodic Premiums:** The amount of premium you have elected to pay during this policy year.

**Death Benefit:** The projected amount payable upon the death of the insured, unless policy indebtedness. The value shown is as of the end of the policy year. The death benefit is reduced by any partial withdrawals.

**Gross Fund Value:** The equity in the policy is also commonly referred to as "cash value" or "accumulation value." Should you decide to surrender this policy, the cash value in your policy will be imposed in determining the surrender value. If a death benefit decrease occurred during the period covered by this statement, the fund value reflects any previous surrender charges that may have been assessed, if such charges apply.

**POLICY PROJECTIONS**

**If Planned Premiums Are Paid; and If No Additional Premiums Are Paid:** These projections are provided in order to assist you in determining how payments, credited interest and expense charges affect the length of coverage. With the exception of guaranteed rates, these projections are estimates.

**TRANSACTION HISTORY**

**Current Surrender Value:** The net fund value, minus any applicable surrender charges.

**Expense Charges:** For an explanation of these charges, please see the Table of Expense Charges section of your policy.

**Interest Credited:** Interest is credited after the deduction of expenses and before the cost of insurance is deducted. Guaranteed interest is based on an effective annual yield of 4.000%. Excess interest for each month is based on the excess of the effective annual contract rate shown over the guaranteed rate.

**Interest Bonus:** In addition to the interest being credited under the policy on each Monthly Anniversary Day, the Company may grant an interest bonus. This bonus will be determined on a prospective basis as of the annual anniversary date and be applied automatically to increase the then current cash value of the policy.

**Insurance Charges:** These charges reflect the current cost of the insurance coverage under the contract. The per \$1000 charge will change on each policy anniversary but will never be greater than the guaranteed cost of insurance charge listed in your policy.

US056025

Policy Number: 00000000000000000000

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**IMPORTANT POLICY HOLDER INFORMATION**

You should consider requesting a copy of the information about your policy contained in the insurance premium in the state. You should receive a copy of the replacement of your policy or rate changes in your coverage within 30 days of requesting a copy of the information. You may orally request, without charge, a copy of the policy by calling 1-866-335-3223, contact your Financial Representative, or writing to Lender Financial Group, P.O. Box 32150, Louisville, KY 40232. If you do not receive a copy of the information about your policy within 30 days from your request, you should contact your state insurance department.

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## **EXHIBIT “C”**

*The Lincoln National Life Insurance Company*  
Client Service Center  
P.O. Box 84130  
Lincoln, NE 68501-4130



## *Notice of Policy Status*

March 6, 2012

Policy Number: 5056025

Insured: ANTHONY J GROSEK JR

Issuing Company\*: CONNECTICUT GENERAL  
LIFE INSURANCE COMPANY

Financial Representative: BILL BERGNER

ANTHONY J GROSEK JR TDT033180  
GEORGE B SORDON TTES  
644 MEADOWS NEWBERRY EST  
DALLAS, PA 18612

Dear Client:

We are writing to tell you that there is insufficient cash value under your life insurance policy to cover the required monthly deduction. Because we value you as a customer, we encourage you to continue to provide protection for you and your beneficiary.

The minimum payment necessary to maintain this policy in force until 11/07/2012 is \$90,417.79. Unless this amount is received within the grace period, your policy will terminate, according to its terms, on 04/08/2012.

**CURRENTLY YOUR ELECTED PREMIUM DOES NOT COVER YOUR TOTAL COST OF INSURANCE FOR THE ANNUAL MODE. PLEASE CONTACT OUR OFFICE FOR AN ILLUSTRATION.**

We are committed to providing you with quality customer service. If you have any questions or comments, please contact Lincoln's Client Service Center at (866) 835-3223 between the hours of 8:00 a.m. and 6:00 p.m. Eastern Time, Monday through Friday, or contact your financial representative.

Sincerely,

Lincoln's Client Service Center

\* *The Lincoln National Life Insurance Company* acts as administrative agent for this company.

[www.lfg.com](http://www.lfg.com)

*Lincoln Financial Group* is the marketing name for Lincoln National Corporation and its affiliates.

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